



DOCKET FILE COPY ORIGINAL

2205 Keithley Creek Road  
P.O. Box 7  
Midvale, ID 83645  
208.355.2211  
Fax 208.355.2222

**REDACTED- FOR PUBLIC INSPECTION**

October 15, 2013

Received & Inspected

OCT 25 2013

**VIA OVERNIGHT DELIVERY**

FCC Mail Room

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, S.W.  
Washington, DC 20554

RE: **Confidential Financial Information Subject to Protective Order in WC  
Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN  
Docket No. 09-51, WT Docket No. 10-208, Before the Federal  
Communications Commission**

Dear Ms. Dortch:

Midvale Telephone Company, a privately-held rate of return carrier receiving high cost support, has electronically submitted FCC Form 481 to the Commission with redacted financial data, in compliance with 47 C.F.R. §§ 54.313 and 54.422. As specified in the Protective Order issued on November 16, 2012 by the Commission, two copies of the redacted confidential information are being filed simultaneously with the non-redacted confidential information. The redacted information for this filing and each page of the file where confidential information has been omitted is marked "REDACTED - FOR PUBLIC INSPECTION"

Please feel free to contact me with any questions regarding this particular matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Stuart', with a long horizontal flourish extending to the right.

John Stuart  
CEO  
MTE Communications

Enclosures

No. of Copies rec'd  
List ABCDE

0+1

[www.mtecom.net](http://www.mtecom.net)

*Employee Owned – Community Focused – Customer Centered*

<b>FCC Form 481 – Carrier Annual Reporting</b> <b>Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0086/OMB Control No. 3060-0019 July 2013
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<010> Study Area Code	452226
<015> Study Area Name	MIDVALE-AZ
<020> Program Year	2014
<030> Contact Name: Person USAC should contact with questions about this data	John Stuart
<035> Contact Telephone Number: Number of the person identified in data line <030>	2083552211
<039> Contact Email Address: Email of the person identified in data line <030>	john.stuart@mtcom.com

ANNUAL REPORTING FOR ALL CARRIERS			54.313 Completion Required	54.422 Completion Required
			(check box when complete)	
<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report				
<300> Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<310> Detail on Attempts (voice)	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<330> Detail on Attempts (broadband)	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410> Fixed	0.78			
<420> Mobile	0.0			
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<440> Fixed	0.0			
<450> Mobile	0.0			
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> 452226AZ510	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> 452226AZ610	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1000> Voice Services Rate Comparability	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1010> <input type="checkbox"/>	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1100> Terrestrial Backhaul (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	(if not, check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1110>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet**

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<2005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet**

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**(100) Service Quality Improvement Reporting  
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	452226
<015>	Study Area Name	MIDVALE-AZ
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	John Stuart
<035>	Contact Telephone Number - Number of person identified in data line <030>	2083552211
<039>	Contact Email Address - Email Address of person identified in data line <030>	john.stuart@mtcom.com
<110>	Has your company received its ETC certification from the FCC?	(yes / no ) <input type="radio"/> <input type="radio"/>
<111>	If your answer to Line <110> is yes, do you have an existing § 54.202(a) "5 year plan" filed with the FCC?	(yes / no ) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

- <112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

\_\_\_\_\_  
Name of Attached Document (.pdf)

Please check these boxes below to confirm that the attached PDF, on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets  
 <114> Report how much universal service (USF) support was received  
 <115> How (USF) was used to improve service quality  
 <116> How (USF) was used to improve service coverage  
 <117> How (USF) was used to improve service capacity  
 <118> Provide an explanation of network improvement targets not met in the prior calendar year.

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

[illegible]

(700) Price Offerings Including Voice Rate Data  
Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	452226
<015>	Study Area Name	MIDVALE-AZ
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	John Stuart
<035>	Contact Telephone Number - Number of person identified in data line <030>	2083552211
<039>	Contact Email Address - Email Address of person identified in data line <030>	john.stuart@mtecom.com

<701>	Residential Local Service Charge Effective Date	1/1/2013
<702>	Single State-wide Residential Local Service Charge	

[illegible]

(710) Broadband Price Offerings Data Collection Form FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	452226
<015>	Study Area Name	MIDVALE-AZ
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	John Stuart
<035>	Contact Telephone Number - Number of person identified in data line <030>	2083552211
<039>	Contact Email Address - Email Address of person identified in data line <030>	john.stuart@mtecom.com

[illegible]

(800) Operating Companies  
Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	452226
<015>	Study Area Name	MIDVALE-AZ
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	John Stuart
<035>	Contact Telephone Number - Number of person identified in data line <030>	2083552211
<039>	Contact Email Address - Email Address of person identified in data line <030>	john.stuart@mtecom.com

<810>	Reporting Carrier	Midvale Telephone Company
<811>	Holding Company	Midvale Telephone Exchange
<812>	Operating Company	Midvale Telephone Company

[illegible]

**(900) Tribal Lands Reporting  
Data Collection Form**

PCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	452226
<015>	Study Area Name	MIDVALE-AZ
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	John Stuart
<035>	Contact Telephone Number - Number of person identified in data line <030>	2083552211
<039>	Contact Email Address - Email Address of person identified in data line <030>	john.stuart@mtecom.com

&lt;910&gt; Tribal Land(s) on which ETC Serves

&lt;920&gt; Tribal Government Engagement Obligation

Name of Attached Document (.pdf)

If your company serves Tribal lands, please select (Yes,No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions;
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select (Yes,No, NA)



**(1100) No Terrestrial Backhaul Reporting  
Data Collection Form**

FCC Form 481

 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010>	Study Area Code	452226
<015>	Study Area Name	MIDVALE-AZ
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	John Stuart
<035>	Contact Telephone Number - Number of person identified in data line <030>	2083552211
<039>	Contact Email Address - Email Address of person identified in data line <030>	john.stuart@mtcom.com

Please check this box to confirm no terrestrial backhaul  
 <1120> options exist within the supported area pursuant to § 54.313(G)



Please check this box to confirm the reporting carrier offers  
 <1130> broadband service of at least 1 Mbps downstream and 256 kbps  
 upstream within the supported area pursuant to § 54.313(G)



**(1200) Terms and Condition for Lifeline Customers**  
**Lifeline**  
**Data Collection Form**

FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010>	Study Area Code	452226
<015>	Study Area Name	MIDVALE-AZ
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	John Stuart
<035>	Contact Telephone Number - Number of person identified in data line <030>	2083552211
<039>	Contact Email Address - Email Address of person identified in data line <030>	john.stuart@mtecom.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

452226A21210

Name of attached document (.pdf)

<1220> Link to Public Website

HTTP

"Please check these boxes below to confirm that the attached PDF, on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,



<1222> Details on the number of minutes provided as part of the plan,



<1223> Additional charges for toll calls, and rates for each such plan.



**(2000) Price Cap Carrier Additional Documentation****Data Collection Form***Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	452226
<015>	Study Area Name	MIDVALE-AZ
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	John Stuart
<035>	Contact Telephone Number - Number of person identified in data line <030>	2083552211
<039>	Contact Email Address - Email Address of person identified in data line <030>	john.stuart@mtcom.com

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

**Incremental Connect America Phase I reporting**

<2010> 2nd Year Certification {47 CFR § 54.313(b)(1)}  
 <2011> 3rd Year Certification {47 CFR § 54.313(b)(2)}


**Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}**

<2012> 2013 Frozen Support Certification  
 <2013> 2014 Frozen Support Certification  
 <2014> 2015 Frozen Support Certification  
 <2015> 2016 and future Frozen Support Certification


**Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}**

<2016> Certification Support Used to Build Broadband

--

**Connect America Phase II Reporting {47 CFR § 54.313(e)}**

<2017> 3rd year Broadband Service Certification  
 <2018> 5th year Broadband Service Certification  
 <2019> Interim Progress Certification  
 <2020> Please check the box to confirm that the attached PDF, on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.  
 <2021> Interim Progress Community Anchor Institutions


Name of Attached Document Listing Required Information

## (3000) Rate Of Return Carrier Additional Documentation

Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	452226
<015>	Study Area Name	MIDVALE-AZ
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	John Stuart
<035>	Contact Telephone Number - Number of person identified in data line <030>	2083552211
<039>	Contact Email Address - Email Address of person identified in data line <030>	john.stuart@mtcom.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

## Progress Report on 5 Year Plan

(3010)	Milestone Certification (47 CFR § 54.313(f)(1)(i)) Please check this box to confirm that the attached PDF, on line 3012, contains the required information pursuant to § 54.313 (f)(1)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.	Name of Attached Document Listing Required Information	<input type="checkbox"/>
(3012)	Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))	Name of Attached Document Listing Required Information	<input checked="" type="checkbox"/> (Yes/No)
(3013)	Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))		<input checked="" type="checkbox"/> (Yes/No)
(3014)	If yes, does your company file the RUS annual report Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:		<input checked="" type="checkbox"/>
(3015)	Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)		<input checked="" type="checkbox"/>
(3016)	PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input checked="" type="checkbox"/>
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information	452226AZ3017
(3018)	If the response is no on line 3014, is your company audited?  If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:		<input type="checkbox"/> (Yes/No)
(3019)	Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications		<input type="checkbox"/>
(3020)	PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3021)	Management letter issued by the independent certified public accountant that performed the company's financial audit.  If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:		<input type="checkbox"/>
(3022)	Copy of their financial statement which has been subject to review by an independent certified public accountant; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,		<input type="checkbox"/>
(3023)	Underlying information subjected to a review by an independent certified public accountant		<input type="checkbox"/>
(3024)	Underlying information subjected to an officer certification.		<input type="checkbox"/>
(3025)	PDF of Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information	

<b>Certification - Reporting Carrier Data Collection Form</b>	PCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010>	Study Area Code	452226
<015>	Study Area Name	MIDVALE - AZ
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	John Stuart
<035>	Contact Telephone Number - Number of person identified in data line <030>	2083552211
<039>	Contact Email Address - Email Address of person identified in data line <030>	john.stuart@mtecom.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	MIDVALE - AZ
Signature of Authorized Officer:	CERTIFIED ONLINE
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	452226
Filing Due Date for this form:	10/15/2013
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FOC Form 481 OMB Control No. 3060-0086/OMB Control No. 3060-0819 July 2013
---	--

<010> Study Area Code	452226
<015> Study Area Name	MIDVALE-AZ
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	John Stuart
<035> Contact Telephone Number - Number of person identified in data line <030>	2083552211
<039> Contact Email Address - Email Address of person identified in data line <030>	john.stuart@mtcom.com

**TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:**

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: MIDVALE-AZ	
Signature of Authorized Officer: CERTIFIED ONLINE	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: 452226	Filing Due Date for this form: 10/15/2013
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**TO BE COMPLETED BY THE AUTHORIZED AGENT:**

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: MIDVALE-AZ	
Name of Authorized Agent or Employee of Agent: _____	
Signature of Authorized Agent or Employee of Agent: CERTIFIED ONLINE	Date: _____
Printed name of Authorized Agent or Employee of Agent: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: 452226	Filing Due Date for this form: 10/15/2013
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

## Attachments

(800) Operating Companies  
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

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<015>	Study Area Name	MIDVALE-AZ
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<039>	Contact Email Address - Email Address of person identified in data line <030>	john.stuart@mtecom.com

<810>	Reporting Carrier	Midvale Telephone Company
<811>	Holding Company	Midvale Telephone Exchange
<812>	Operating Company	Midvale Telephone Company

[illegible]



## Arizona Service Quality Standards and Consumer Protection Rules Compliance

Midvale Telephone understands and complies with the Arizona Corporation Commission's *Telephone Customer Relations Rules*, Arizona Administrative Code Title 14, Chapter 2, Article 500 - 510, adopted under the general legal authority of the Public Utilities Law, Title 40, Arizona Code, and the Telecommunications Act of 1988, with regards to service. These telephone customer relations rules provide a set of fair, just, reasonable, and non-discriminatory rules regarding deposits, guarantees, billing, application for service, denial of service, termination of service, complaints to telephone companies, billing for interrupted service, and provisions of certain information about customer to authorities.

## Functionality in Emergency Situations

Pursuant to 47 C.F.R. § 54.313(a)(6) and/or 47 C.F.R § 54.422(b)(4) as set forth in 47 C.F.R. 54.202 (a)(2). Midvale Telephone meets the requirements to remain functional in emergency situations and has the following capabilities: Back-up power is provided to Midvale Telephone's central and or remote office(s) by use of fixed generator and batteries that provide it with a minimum of 24 hours of emergency power service. In addition, Midvale Telephone's field electronics have a minimum of 24 hours of back-up power by use of fixed/mobile generators and batteries. Midvale Telephone also has SONET technology in its network that allows for self-healing network should a fiber cut occur in its core network and will automatically reroute traffic. Midvale Telephone also has 2 redundant paths within its network to provide for the capability to reroute traffic. Midvale Telephone has equipped its remote offices with Emergency Stand Alone technology that will provide for call completion and access to 911 in emergency situations. Midvale Telephone is capable of managing traffic spikes resulting from emergency situations.

# ORIGINAL

Midvale Telephone Company

Arizona Corporation Commission

Tariff Number 2

Original Sheet Number: 62

## IV. LIFELINE

### A. GENERAL

Applicable to qualifying low-income subscribers to single party residential service of the Company.

### B. RATES

1. Baseline Lifeline is a reduction or credit in the local service charges normally paid by qualifying low-income consumers. The reduction to the normal residential one-party rates are as follows:

<u>Residential Access Lines</u>	<u>Monthly Credit or Discount</u>
Federal Baseline Lifeline Reduction	\$9.25

These reductions or credits are from the normal residential one-party service subscribed to by the consumer. The Federal baseline lifeline reduction shall be used to waive the consumer's Federal End-User Common Line Charge or Subscriber Line Charge.

In no case will the discount exceed the rate charged for the service subscribed to by each individual.

Issued April 6, 2012  
Docket Number T-20741A-10-0207  
Decision Number 72728  
Issued by Midvale Telephone Company  
By: Steve Child

Effective: May 6, 2012

APPROVED FOR FILING  
DECISION # 72728

# ORIGINAL

Midvale Telephone Company

Arizona Corporation Commission

Tariff Number 2

Original Sheet Number: 63

## IV. LIFELINE, CONTINUED

### B. RATES, CONTINUED

1. The following services are included:
  - a. Voice-grade access to the Public Switched Network
  - b. Access to emergency services
  - c. Toll Blocking

### C. ELIGIBILITY REQUIREMENTS

1. An applicant must meet all of the following criteria in order to qualify for Lifeline Service:
  - a. The consumer must participate in one of the following programs:
    - 1) Food stamps
    - 2) Supplemental Security Income (SSI)
    - 3) Federal public housing assistance
    - 4) Temporary Assistance to Needy Families (TANF)
    - 5) State Children's Health Insurance Plan or KIDS CARE
    - 6) National School Lunch Program
    - 7) Low income Home Energy Assistance Program within the past 12 months
  - b. The customer must sign under penalty of perjury, a document certifying:

Issued April 6, 2012  
Docket Number T-20741A-10-0207  
Decision Number 72728  
Issued by Midvale Telephone Company  
By: Steve Child

Effective: May 6, 2012

**APPROVED FOR FILING**

**DECISION # 72728**

# ORIGINAL

Midvale Telephone Company

Arizona Corporation Commission

Tariff Number 2

Original Sheet Number: 64

## IV. LIFELINE, CONTINUED

### C. ELIGIBILITY REQUIREMENTS, CONTINUED

- 1) S/he is receiving benefits from one of the programs listed above (C.1.a.).
- 2) The name of the program from which they are receiving benefits
- 3) That s/he will notify the company if s/he no longer participates in the program named in b. preceding.

c. The customer must be recertified annually by the appropriate state agency.

The company reserves the right to periodically verify a customer's eligibility with the appropriate State Agency.

- d. The premises at which the residential service is requested is the applicant's principle place of residence.
  - e. There is only one telephone line serving the residential premises eligible for the credit. The residential premises shall consist of that portion of an individual house or building or one flat or apartment occupied by a single family or individuals functioning as one domestic unit.
2. Lifeline will not be furnished on a Foreign Exchange (FX) basis.
  3. Lifeline service shall not be disconnected for non-payment of toll charges.
  4. If the consumer chooses "toll blocking", the company will not charge a service deposit. No toll blocking charges will be assessed to Lifeline subscribers.
  5. Partial payments from subscribers will first be applied to local service charges and then to any outstanding toll charges.

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**DECISION # 72728**

# ORIGINAL

Midvale Telephone Company

Arizona Corporation Commission

Tariff Number 2

Original Sheet Number: 65

## IV. LIFELINE, CONTINUED

### D. REGULATIONS

1. The Telephone Assistance Program credit will begin with the next billing cycle following the date the Company receives notification of customer qualification.
2. The regular service connection charge, move and change charge, and regulations applicable to the service offerings specified in the tariff will apply. The service connection charge and move and change charge to change to or from this program due to eligibility status will be waived.
3. The lifeline credit will be subject to the following restrictions:
  - a. Applicant must be head of household or person whose name the property or rental agreement resides.
  - b. Lifeline credit will only be provided to the applicant's principle residence.
  - c. The credit will only be applicable for one single residential access line.
4. The Company will offer Lifeline assistance only during such periods as reimbursement of the discount is available to the Company from Federal and/or State revenue sources.

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DECISION # 72728

<b>USDA-RUS</b>  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	<i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i> <b>BORROWER NAME</b>  Midvale Telephone Company	
<b>INSTRUCTIONS</b> -Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.	<b>PERIOD ENDING</b> December, 2012	<b>BORROWER DESIGNATION</b> ID0518
<b>CERTIFICATION</b>  We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief. <b>ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.</b>  <b>DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII</b> (Check one of the following)		
<input checked="" type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.		
<input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report		
Stephen Child	4/19/2013 DATE	

PART A. BALANCE SHEET					
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents			25. Accounts Payable		
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)		
6. Material-Regulated			<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments			37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)			39. Funded Debt-Other		
<b>NONCURRENT ASSETS</b>			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Recaptured Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development			46. Total Long-Term Debt (36 thru 45)		
13. Nonregulated Investments			<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)			50. Total Other Liabilities and Deferred Credits (47 thru 49)		
<b>PLANT, PROPERTY, AND EQUIPMENT</b>			<b>EQUITY</b>		
18. Telecom, Plant-in-Service			51. Cap. Stock Outstand. & Subscribed		
19. Property Held for Future Use			52. Additional Paid-in Capital		
20. Plant Under Construction			53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation			55. Other Capital		
23. Net Plant (18 thru 21 less 22)			56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins		
			58. Total Equity (51 thru 57)		
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		

Total Equity = 26.78% % of Total Assets

<b>USDA-RUS</b>  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>		<b>BORROWER DESIGNATION</b>  ID0518	
<b>INSTRUCTIONS- See RUS Bulletin 1744-2</b>		<b>PERIOD ENDING</b>  December, 2012	
<b>PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS</b>			
<b>ITEM</b>		<b>PRIOR YEAR</b>	<b>THIS YEAR</b>
1. Local Network Services Revenues			
2. Network Access Services Revenues			
3. Long Distance Network Services Revenues			
4. Carrier Billing and Collection Revenues			
5. Miscellaneous Revenues			
6. Uncollectible Revenues			
7. Net Operating Revenues (1 thru 5 less 6)			
8. Plant Specific Operations Expense			
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)			
10. Depreciation Expense			
11. Amortization Expense			
12. Customer Operations Expense			
13. Corporate Operations Expense			
14. Total Operating Expenses (8 thru 13)			
15. Operating Income or Margins (7 less 14)			
16. Other Operating Income and Expenses			
17. State and Local Taxes			
18. Federal Income Taxes			
19. Other Taxes			
20. Total Operating Taxes (17+18+19)			
21. Net Operating Income or Margins (15+16-20)			
22. Interest on Funded Debt			
23. Interest Expense - Capital Leases			
24. Other Interest Expense			
25. Allowance for Funds Used During Construction			
26. Total Fixed Charges (22+23+24-25)			
27. Nonoperating Net Income			
28. Extraordinary Items			
29. Jurisdictional Differences			
30. Nonregulated Net Income			
31. Total Net Income or Margins (21+27+28+29+30-26)			
32. Total Taxes Based on Income			
33. Retained Earnings or Margins Beginning-of-Year			
34. Miscellaneous Credits Year-to-Date			
35. Dividends Declared (Common)			
36. Dividends Declared (Preferred)			
37. Other Debits Year-to-Date			
38. Transfers to Patronage Capital			
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]			
40. Patronage Capital Beginning-of-Year			
41. Transfers to Patronage Capital			
42. Patronage Capital Credits Retired			
43. Patronage Capital End-of-Year (40+41-42)			
44. Annual Debt Service Payments			
45. Cash Ratio [(14+20-10-11) / 7]			
46. Operating Accrual Ratio [(14+20+26) / 7]			
47. TIER [(31+26) / 26]			
48. DSCR [(31+26+10+11) / 44]			



USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		ID0518	
		PERIOD ENDED December, 2012	
INSTRUCTIONS -- See help in the online application.			
PART I -- STATEMENT OF CASH FLOWS			
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)			
CASH FLOWS FROM OPERATING ACTIVITIES			
2. Net Income			
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities			
3. Add: Depreciation			
4. Add: Amortization			
5. Other (Explain) Depreciation calculated in non-reg net income and adjustment to balance			
Changes in Operating Assets and Liabilities			
6. Decrease/(Increase) in Accounts Receivable			
7. Decrease/(Increase) in Materials and Inventory			
8. Decrease/(Increase) in Prepayments and Deferred Charges			
9. Decrease/(Increase) in Other Current Assets			
10. Increase/(Decrease) in Accounts Payable			
11. Increase/(Decrease) in Advance Billings & Payments			
12. Increase/(Decrease) in Other Current Liabilities			
13. Net Cash Provided/(Used) by Operations			
CASH FLOWS FROM FINANCING ACTIVITIES			
14. Decrease/(Increase) in Notes Receivable			
15. Increase/(Decrease) in Notes Payable			
16. Increase/(Decrease) in Customer Deposits			
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)			
18. Increase/(Decrease) in Other Liabilities & Deferred Credits			
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital			
20. Less: Payment of Dividends			
21. Less: Patronage Capital Credits Retired			
22. Other (Explain) BIP			
23. Net Cash Provided/(Used) by Financing Activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
24. Net Capital Expenditures (Property, Plant & Equipment)			
25. Other Long-Term Investments			
26. Other Noncurrent Assets & Jurisdictional Differences			
27. Other (Explain)			
28. Net Cash Provided/(Used) by Investing Activities			
29. Net Increase/(Decrease) in Cash			
30. Ending Cash			

Revision Date 2010



## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Board of Directors  
Midvale Telephone Company, Inc.

We have audited the financial statements of Midvale Telephone Company, Inc. for the year ended December 31, 2012, and have issued our report thereon dated April 29, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and 7 CFR 1773, *Policy on Audits of Rural Utilities Service (RUS) Borrowers*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the financial statements of Midvale Telephone Company, Inc. for the year ended December 31, 2012, we considered its internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**INDEPENDENT AUDITOR'S MANAGEMENT LETTER**  
**(continued)**

7 CFR 1773.33 requires comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and other additional matters. We have grouped our comments accordingly. In addition to obtaining reasonable assurance about whether the financial statements are free from material misstatements, at your request, we performed tests of specific aspects of the internal control over financial reporting, of compliance with specific RUS loan and security instrument provisions, and of additional matters. The specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and additional matters tested include, among other things, the accounting procedures and records, compliance with specific RUS loan and security instrument provisions set forth in 7 CFR 1773.33(e)(2) and related party transactions and investments. In addition, our audit of the financial statements also included the procedures specified in 7 CFR 1773.38-45. Our objective was not to provide an opinion on these specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, or additional matters, and accordingly, we express no opinion thereon.

No reports (other than our independent auditor's report, and our independent auditor's report on internal control over financial reporting and on compliance and other matters, all dated April 29, 2013) or summary of recommendations (other than the audit fieldwork exit memo) related to our audit have been furnished to management.

Our comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and other additional matters as required by 7 CFR 1773.33 are presented below.

**COMMENTS ON CERTAIN SPECIFIC ASPECTS OF THE INTERNAL CONTROL OVER FINANCIAL REPORTING**

We noted no matters regarding Midvale Telephone Company, Inc.'s internal control over financial reporting and its operation that we consider to be a material weakness as previously defined with respect to:

- the accounting procedures and records;
- the process for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts; and
- the materials control.

**INDEPENDENT AUDITOR'S MANAGEMENT LETTER**  
**(continued)**

**COMMENTS ON COMPLIANCE WITH SPECIFIC RDUP LOAN AND SECURITY INSTRUMENT PROVISIONS**

At your request, we have performed the procedures listed below with respect to compliance with certain provisions of laws, regulations, contracts, and grants. The procedures we performed are summarized as follows:

- Procedures performed with respect to the requirement for a borrower to obtain written approval of the mortgagee to enter into any contract, agreement, or lease between the borrower and an affiliate for the year ended December 31, 2012, of Midvale Telephone Company, Inc.;
  - Obtained and read a borrower-prepared schedule of new written contracts, agreements, or leases between the borrower and an affiliate as defined in 7 CFR 1773.33(e)(2)(i).
  - Reviewed Board of Directors' minutes to ascertain whether Board-approved written contracts are included in the borrower-prepared schedule.
  - Noted the existence of written RUS approval of each contract listed by the borrower.
- Procedure performed with respect to the requirement to submit the operating report for telecommunications borrowers to the RUS;
  - Agreed amounts reported in the operating report for telecommunications borrowers to Midvale Telephone Company, Inc.'s records.

The results of our tests indicate that, with respect to the items tested, Midvale Telephone Company, Inc. complied, in all material respects, with the specific RUS loan and security instruments provisions referred to below. The specific provisions tested, as well as any exceptions noted, include the requirements that:

- the borrower has obtained written approval of the RUS to enter into any contract, agreement, or lease with an affiliate as defined in 7 CFR 1773.33(e)(2)(i); and
- the borrower has submitted its the operating report for telecommunications borrowers to the RUS and the operating report for telecommunications borrowers, as of December 31, 2012, represented by the borrower as having been submitted to the RUS is in agreement with Midvale Telephone Company, Inc.'s audited records, in all material respects, and appears reasonable based on the audit procedures performed.

**INDEPENDENT AUDITOR'S MANAGEMENT LETTER**  
**(continued)**

**COMMENTS ON OTHER ADDITIONAL MATTERS**

In connection with our audit of the financial statements of Midvale Telephone Company, Inc., nothing came to our attention that caused us to believe the Company failed to comply with respect to:

- the reconciliation of continuing property records to the controlling general ledger plant accounts addressed at 7 CFR 1773.33(c)(1);
- the Company updates its continuing property records annually to agree with its general ledger. Due to the volume of activity, this routinely takes several months after year end to complete. As of audit fieldwork, the Company's continuing property records are current through 2011 and in process for 2012;
- the clearing of construction accounts and the accrual of depreciation on completed construction addressed at 7 CFR 1773.33(c)(2);
- the retirement of plant addressed at 7 CFR 1773.33(c)(3) and (4);
- the approval of the sale, lease, or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap addressed at 7 CFR 1773.33(c)(5);
- the disclosure of material related party transactions, for the year ended December 31, 2012, in the financial statements referenced in the first paragraph of this report addressed at 7 CFR 1773.33(e); and
- the detailed schedule of investments.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The detailed schedule of investments in affiliated companies required by 7 CFR 1773.33(i), and attached to this letter, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in our audit of the basic financial statements, and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

See attached Schedule of Investment in Affiliated Company.

This report is intended solely for the information and use of the Board of Directors, management, others within the entity, and the RUS and supplemental lenders and is not intended to be, and should not be used by anyone other than these specified parties.

*Moss Adams LLP*

Spokane, Washington  
April 29, 2013